

Congress of the United States
Washington, DC 20515

January 18, 2011

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

When you meet with Chinese President Hu Jintao, we urge you to make clear on behalf of the American steel industry that China's illegal trade practices will no longer be tolerated. As members of the Congressional Steel Caucus, we ask that your discussions include China's continued violations of trade law — such as dumping of steel pipe and plate, renewable energy product subsidies, and currency manipulation — because they are decimating the ability of the American steel industry to compete on a level playing field.

It is estimated that China is artificially devaluing its currency by as much as 40 percent, giving its own exports a government subsidy and in effect taxing American-made imports. This policy costs the U.S. upwards of 2.5 million manufacturing jobs and a staggering trade deficit of as much as \$283 billion. Last June, China announced they would allow their currency to appreciate, but since then, they have restricted the Yuan's growth to a paltry and unacceptable 3.1 percent. The time has come to insist on immediate action, and not more empty promises.

Drawing on the support of American manufacturing, Congress expressed its own intent to force China to allow the Yuan to reflect an exchange rate set by the open market. On September 29, 2010, the House approved the Currency Reform for Fair Trade Act (HR 2378) by an overwhelming, bipartisan vote of 348 to 79. This vote is a powerful marker for where Congress and the American public believe the trading relationship with China currently stands.

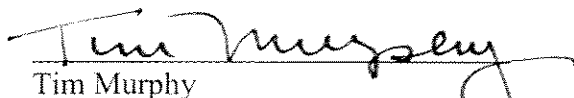
We also hope you will emphasize other areas where China has violated international trade law. China's government has repeatedly unfairly and illegally dumped and subsidized steel plate, pipe, and other products, causing U.S. steel producers, workers, and other industries to petition the International Trade Commission for relief. China's state-owned Anshan Iron and Steel Group made a troubling investment in U.S. steel plants that we continue to believe will give China a beachhead to exploit the American steel market, lead to a loss of American jobs, and jeopardize our national security.


China must know once and for all that American patience for its unfair and illegal trade practices, and its exploitative and anticompetitive policies, has run out. Beijing's intransigence is placing our trading relationship on ever-perilous ground.

Steel made in America supports 1.2 million jobs, adds \$350 billion to our national economy, and has built America and the world. These are jobs that make steel, supply the resources to make

steel, and make things out of steel — from the smallest medical device to skyscrapers to satellites. But these jobs and the families who depend on them are all at risk unless we stand up for steel. We hope you will do so without qualification when you meet with President Hu.

Sincerely,


Tim Murphy
Chairman, Congressional Steel Caucus


Peter Visclosky
Vice Chairman, Congressional Steel Caucus







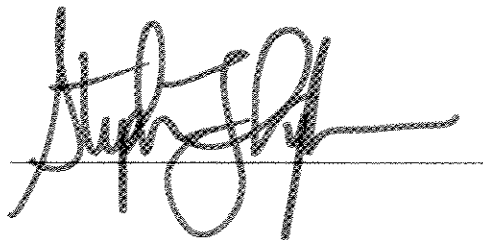






















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